

Decision No. 39725

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of EUGENIO RUGANI, ADOLPH TOLOMEI & E. DEL GRANDE, as co-)
 partners doing business under the name of HALF)
 MOON BAY DRAYAGE COMPANY, for authority to)
 transfer and sell, and TESEO TESI, JOHN MAINZ,) Application
 HECTOR P. PUCCINELLI AND MARIO GIOVANNINI as) No. 28042
 copartners to do business under the name of)
 TESI DRAYAGE COMPANY, to acquire an automobile)
 freight line operated between Tunitas, Salada)
 Beach, and intermediate points, on the one)
 hand, and San Francisco and Colma, on the)
 other hand, all in the State of California.)
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OPINION AND ORDER

Applicants Eugenio Rugani, Adolph Tolomei and E. Del Grande are copartners doing business as Half Moon Bay Drayage Company. They are engaged in operating a highway common carrier service for the transportation chiefly of vegetables and perishable farm produce, between Tunitas, Salada Beach and intermediate points on the one hand, and San Francisco and Colma on the other hand. (1) For 1945, they report operating revenues of \$44,584.17.

In this application, Eugenio Rugani, Adolph Tolomei and E. Del Grande ask permission to transfer their operative rights, four trucks, miscellaneous equipment and business to Teseo Tesi, John Mainz, Hector P. Puccinelli and Mario Giovannini, copartners doing business under the name of Tesi Drayage Company. A copy of the agreement of sale is on file in this application. Under the terms of this agreement, Purchasers will pay for the properties balance is payable upon the consummation of the sale.

(1) Decision No. 34922, dated January 12, 1942 established the operative rights and Decision Nos. 36201, 37460 and 39337 authorized certain sales and transfers.

equipment and \$1000 to the operative right. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred. Purchasers shall record the purchase price of the properties on their records in the manner set forth in the uniform system of accounts prescribed by the Commission.

Teseo Tesi, John Mainz, Hector P. Puccinelli and Mario Giovannini are hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate-fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the State, which is not in any respect limited to the number of rights which may be given.

The Commission has considered applicants' request and is of the opinion that this is not a matter on which a hearing is necessary and that this application should be granted, therefore,

IT IS HEREBY ORDERED,

1. Eugenio Rugani, Adolph Tolomei and E. Del Grande, copartners doing business under the name of Half Moon Bay Drayage Company may, after the effective date hereof and on or before

CORRECTION

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**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of EUGENIO RUGANI, ADOLPH TOLOMEI & E. DEL GRANDE, as copartners doing business under the name of HALF MOON BAY DRAYAGE COMPANY, for authority to transfer and sell, and TESEO TESTI, JOHN MAINZ, HECTOR P. PUCCINELLI AND MARIO GIOVANNINI as copartners to do business under the name of TESTI DRAYAGE COMPANY, to acquire an automobile freight line operated between Tunitas, Salada Beach, and intermediate points, on the one hand, and San Francisco and Colma, on the other hand, all in the State of California.

Application No. 28042

OPINION AND ORDER

Applicants Eugenio Rugani, Adolph Tolomei and E. Del Grande are copartners doing business as Half Moon Bay Drayage Company. They are engaged in operating a highway common carrier service for the transportation chiefly of vegetables and perishable farm produce, between Tunitas, Salada Beach and intermediate points on the one hand, and San Francisco and Colma on the other hand. (1) For 1945, they report operating revenues of \$44,584.17.

In this application, Eugenio Rugani, Adolph Tolomei and E. Del Grande ask permission to transfer their operative rights, four trucks, miscellaneous equipment and business to Teseo Tesi, John Mainz, Hector P. Puccinelli and Mario Giovannini, copartners doing business under the name of Tesi Drayage Company. A copy of the agreement of sale is on file in this application. Under the terms of this agreement, Purchasers will pay for the properties

(1) Decision No. 34922, dated January 12, 1942 established the operative rights and Decision Nos. 36201, 37460 and 39337 authorized certain sales and transfers.

\$12,000, of which \$1000 has been deposited with the Sellers. The balance is payable upon the consummation of the transaction but not before December 31, 1946.

Applicants assign a value of \$11,000 to the trucks and equipment and \$1000 to the operative right. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred. Purchasers shall record the purchase price of the properties on their records in the manner set forth in the uniform system of accounts prescribed by the Commission.

Teseo Tesi, John Mainz, Hector P. Puccinelli and Mario Giovannini are hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate-fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the State, which is not in any respect limited to the number of rights which may be given.

The Commission has considered applicants' request and is of the opinion that this is not a matter on which a hearing is necessary and that this application should be granted, therefore,

IT IS HEREBY ORDERED,

1. Eugenio Rugani, Adolph Tolomei and E. Del Grande, copartners doing business under the name of Half Moon Bay Drayage Company may, after the effective date hereof and on or before

February 1, 1947, sell to, and Teseo Tesi, John Mainz, Hector P. Puccinelli and Mario Giovannini copartners doing business as Tesi Drayage Company may acquire and operate the properties described in the agreement of sale on file in this application. Said sale and purchase shall be made in accordance with the terms of said agreement.

2. Applicants shall comply with the Commission's General Order No. 80 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, tariffs and time schedules satisfactory to the Commission, within 60 days from the effective date of this order and on not less than 5 days' notice to the Commission and the public.

3. The effective date of this order shall be 10 days after the date hereof.

Dated at San Francisco, California, this 16th day of December 1946.

Harold P. Kula
Justice F. Craven
Francis D. Law
Frank H. Powell
R. J. Anderson